BUFFALO REGION MARKET PLACE:

Roger - as info - sent to Powers

I. METRO AREAS:

A) **Cleveland:**

- 7 Assignments - (4) MIP
- 70% FP - 30% Savings. Total Share Approx.: 38%

B) **Buffalo, Rochester, Syracuse & Albany:**

- total 8 assignments - (1) MIP
- 60% FP - 40% Savings. Total Share Approx :28%
- Suburban - Young adult concentrated areas FP
  Very Strong - especially CAMEL Lt. HP
  Ithaca, Corning, Syracuse, Potsdam.

II. HEAVY SAVINGS AREAS:

A) New York, Vermont: 50% FP - 50% Savings
- pockets exist where Savings is 70% or more.
Adirondacks, Catskills, Green Mtns. and Thousand Islands, especially.

III. BORDER/INDIAN STORES:

- US/Canadian borders - Niagara Falls & St. Lawrence Seaway to Montreal. Heavy tourist influx in summer drives up FP share of business.

  Fall & Winter higher skew toward Savings.

- Vermont, PA borders - due to NYS tax $5.60 per ctn. border stores doing large volume similar to Indian outlets.

- Region has 80 Indian stores averaging 2,000 cartons/week.

IV. HEAVY MENTHOL:

- Cleveland and Buffalo -
  Soundwaves and Freshside both tested in Cleveland and Buffalo.

ALL MARKETS IN REGION HAVE EXCELLENT PACKAGE/CARTON AND PROMOTIONAL CAPABILITIES. WE HAVE VERY COST EFFECTIVELY HELD ON TO A LOT OF RJR MERCHANDISING IN THE RIGHT STORES I.E. GAS/CONVENIENCE - OPM'S TIED IN WITH PLATFORMS ESPECIALLY.

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Source: https://www.industrydocuments.ucsf.edu/docs/prfn0000

RETAIL ACCOUNTS:

	# Chain	# Independents
Supermarket	772	423
Convenient/Gas (A & B)	1136	453
*Drug	897	463
Discount	309	88
Cigarette outlets	47	62

* Direct Chain Drug Stores are higher volume than national average with different Merchandising needs to support greater volume.

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BUFFALO PLAN ELEMENTS

Presence:

- 1200 Outlets to be addressed

Promotion

- Gained chain commitment from Wilson Farms (GS/CN) for 26 week exclusive promotional program to be executed by Camel Rep.

- Wilson Farms - Key Convenience/Gas player in Buffalo Market.

  Camel Share very underdeveloped. All promotional avenues will be utilized to gain CAMEL SOM i.e. Direct Mail, SME Items, Co-Marketing Funds, etc.

- 20 cent coupons geared toward Chain GS/CN locations due to heavy skew toward chain vs independent (A & B) calls.

Direct Marketing:

- Customized program developed in conjunction with Fran Creighton to penetrate Buffalo Market and specifically Wilson Farms.

Direct Accounts

- Several programs designed to build on Region's strength in regard to VAPDAP Wholesaler participation. This is a natural progression to test alternative delivery methods and minimize the burden on RJR salesforce.

Name Generation/Continuity:

- Generate valuable marketing information via store sales, contests, and Co Marketing programs.

- Direct tie-in to gain smoker names and profiles in conjunction with opportunistic programs, i.e. New York State Fair, Dirt, Direct Marketing.

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Special Opportunities:

- **New York State Fair:**

  Major elements to include distribution and promotional exclusivity, chain promotional tie-ins. Forced sampling, resulting in volume increases especially on Special Lights and Select. Retail programs to leverage "free" promotion provided by Fair, i.e. Admission ticket. Potential for chain tie-in to build promotional $ impact and/or merchandising contractual reductions.

- **Dirt:**

  Forced sampling via distribution and promotional exclusivity at tracks across the Northeast. Leverage event ticket offers with chain opportunistic programs and Co Marketing monies. Very cost effective promotion for amount of trial and incremental volume gained.

- **Unadilla Motorcross:**

  Chain Co-Op program includes distribution and promotion exclusivity at track as well as free Co-Op promotion from Chain via buydown and additional Camel purchase incentives provided by Chain, i.e. 1 and 2 pack price breaks for RJR vs. Competition. (Utilizes Retailers margin to supplement our promotion dollars.

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Source: https://www.industrydocuments.ucsf.edu/docs/prfn0000

BUFFALO PLAN ELEMENTS

Presence:

- **Heavy Camel Presence:**
  - Floor Stand
    - Convenience/Gas

Sugarcreek	90 Stores
Nice & Easy	100 Stores
Con Sun	45 Stores
Country Fair	75 Stores
BP	150 Stores (no payment)

  - Waterfall:

    Major vehicle to drive CAMEL at independent level. Limited chain potential but will maximize where opportunities exist.

  - PCD Enhancements:

    As applicable - possible use of dual facing PCD.

Promotion:

- **Camel Menthol Introduction - B1G1F**
  - Why? - Will generate exceptional trial across broad market-place characteristics in Cleveland area.
  - Potential to go head to head with Newport - similar blend.
  - Test acceptability of brand within:
    1) Metro Area
    2) Suburban area

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Source: https://www.industrydocuments.ucsf.edu/docs/prfn0000

- **Coupons - Chain concentration - State of New York**

  - High percentage of chains vs. independents.

- **Heavy Use of Special Events to obtain:**

  - exclusive distribution ——— forced sampling.
  - exclusive promotional opportunities
  - name generation
  - chain/merchandising tie -in
  - chain/promotional - Co Marketing tie-in
  - targeted use of available $

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